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ABSTRACT

Serving as an educational delivery system, the Association for Continuing Education offers a broad range of programming to employees of San Francisco Bay Area firms that are members of the Stanford Instructional Television Network. Courses are available in business (leading to the MBA degree), management development, supervisory training, mathematics, business writing, effective reading, conversational French, English as a second language, cybernetics, and other general and special interest subjects. Programs of instruction originate at Stanford University and are broadcast to the students where they work. Students receive instruction by television, but otherwise participate in their courses in the same manner as on-campus students. This is accomplished through a two-way audio system which links the students with each other and with the instructor so that they may interact while the course is in progress. Some programs are also videotaped for viewing at field locations. The annual report includes lists of officers and board members and member companies, and provides financial, statistical, and general information on the program operation. (Author/LS)

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Association for Continuing Education

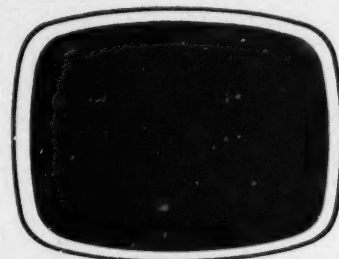
ANNUAL REPORT

June 30, 1974

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U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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Association for Continuing Education

404-A Durand Building • Stanford, California • 94305 • Tel: (415) 327-4283

24 October 1974

TO: Members of the Association for Continuing Education

The accomplishments during the last year of ACE operation now put us in a position of having confidence in our short term success and will allow us to address the long term challenges. This is in marked contrast to the last few years in which the primary emphasis has been to preserve survival of what many of us believed to be an innovative and extremely valuable asset to our member companies.

During the last year, ACE continued to improve its educational program, dramatically increased student enrollments, consolidated its financial situation through continuing operating surpluses, has completed all of the energy-sapping legal battles relative to the alleged embezzlement, and has achieved national recognition for its educational program.

The challenge for the future is to provide the rapidly increasing services for continuing education that are being demanded by our member companies and their employees. The myth that our education is completed when we obtain our certificates or degrees is being destroyed by the rapid changes in technology and business environment. To be an effective employee, extensive continuing education throughout the productive life of our employees is necessary for the survival of the company. In addition, I believe that the concept of providing education for mid-career personnel through closed circuit television on the employers' premises best serves the needs of our member companies and their employees.

ACE must now go into a new phase of innovation and daring to satisfy this rapidly increasing demand. I believe that ACE must achieve a growth of at least 50% per year during the next decade if it is to satisfy this increasing need. This poses challenges for us even greater than what we have met to date. The challenges include increased requirements for program material, staff, facilities, and finances to support same. I urge the member companies to support the Staff and Board of Directors during the next year when the plans for the next decade must be solidified.

The Board of Directors would like to thank our General Manager and his staff for an outstanding effort, the member companies for their increasing support, and Stanford University for its major contributions to the success of ACE.

Sincerely,

ASSOCIATION FOR CONTINUING EDUCATION

Donald A. Wolf

Donald A. Wolf
Chairman of the Board

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Association for Continuing Education

Annual Report — June 30, 1974

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Association for Continuing Education

"About Ace. . ."

Serving as an educational delivery system, the Association for Continuing Education, ACE, offers a broad range of programming to employees of San Francisco Bay Area firms that are members of the Stanford Instructional Television Network. Courses cover a variety of educational areas.

All courses leading to a Master of Business Administration degree in management awarded by Golden Gate University in San Francisco are presented via ACE. Undergraduate courses that prepare the students for successful participation in the MBA program are offered through the cooperation of the College of Notre Dame in Belmont.

Graduate technical courses presented by San Jose State University deal with the futures-oriented subject of Cybernetic Systems. It is anticipated that these will develop into a series which will lead to a Master of Science degree awarded by SJSU.

A series of four courses leading to a certificate in Management Development are scheduled regularly throughout the year. Series of courses in mathematics, computer programming, and business communications are also available. Special programs designed to meet specific education or training requirements of member firms may be scheduled on request.

All programs of instruction originate at Stanford University and are broadcast to students where they work. Students receive instruction by television, but otherwise participate in their courses in the same manner as on-campus students. This is accomplished through a two way audio system, which links the students with each other and with the instructor, so that they may interact while the course is in progress.

Courses are normally scheduled from 7:00-8:00 AM, 12:00 (N)-1:00 PM, and from 5:00-7:00 PM, Monday through Friday over four channels in the Instructional Television Fixed Service Band. Special receiving equipment is required to participate. A daily courier service provides a mail link between the companies and ACE.

Association for Continuing Education

Corporate Officers

Donald A. Wolf GTE/Sylvania	Chairman of the Board
Robert C. Hike Standard Oil Company	Vice-Chairman of the Board
John D. Webster IBM Corporation	Treasurer
Kenneth S. Down Stanford University	Secretary
Charles M. Davis ACE	General Manager

Members of the Board of Directors

Robert Busch, Avantek, Incorporated
Wade Cone, Philco-Ford Corporation
Robert C. Hike, Standard Oil Company
John Leveen, NASA/Ames Research Center
L. Farrell McGhie, Stanford University
Ronald C. McPherson, Xerox Research Center
Donald Oberholzer, Singer Simulation Products
John D. Webster, IBM Corporation
Donald A. Wolf, GTE/Sylvania
Kenneth S. Down, Stanford University (Ex-Officio)

Association for Continuing Education

Members

AMERICAN MICRO-SYSTEMS, INCORPORATED	INTERNATIONAL BUSINESS MACHINES (IBM)
AMPEX CORPORATION	KENNEDY ENGINEERS
ARGO SYSTEMS, INCORPORATED	LAWRENCE LIVERMORE LABORATORIES
AVANTEK, INCORPORATED	LOCKHEED MISSILES AND SPACE COMPANY
BARRY RESEARCH	NASA/AMES RESEARCH CENTER
BECHTEL CORPORATION	NATIONAL SEMICONDUCTOR
JOHN BLUME AND ASSOCIATES	PACIFIC GAS AND ELECTRIC COMPANY
CALIFORNIA STATE UNIVERSITY, SAN JOSE	PHILCO-FORD CORPORATION
COLLEGE OF NOTRE DAME	QUANTIC INDUSTRIES, INCORPORATED
DIVERSIFIED ELECTRONICS	SANDIA LABORATORIES
ELECTRO-MAGNETIC SYSTEMS LABORATORIES (ESL)	SINGER-LINK DIVISION
FAIRCHILD CORPORATION	STANDARD OIL OF CALIFORNIA
FLUOR-UTAH	STANFORD RESEARCH INSTITUTE
GENESYS SYSTEMS, INCORPORATED	STANFORD UNIVERSITY
GOLDEN GATE UNIVERSITY	SYSTEMS CONTROL, INCORPORATED
GTE-SYLVANIA	TELEDYNE MICROWAVE
HEWLETT-PACKARD CORPORATION	VIDAR CORPORATION
HYDROCOMP, INCORPORATED	WATKINS-JOHNSON
INFORMATION STORAGE SYSTEMS (ISS)	XEROX, PALO ALTO RESEARCH CENTER

Annual Report — June 30, 1974

OPERATIONS

1. During the 12 month period ending June 30, 1974, ACE offered 73 courses with 2,450 enrollments for an average class size of 33+ students. Another 750 enrollments were recorded by companies whose employees participated in courses which were recorded on video tape and distributed to divisions located outside of the live broadcast area. A comparison with the number of courses and enrollments in previous years is shown in Figure 1.

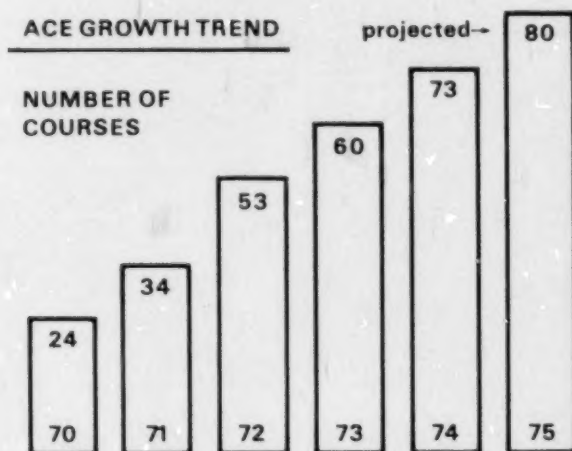
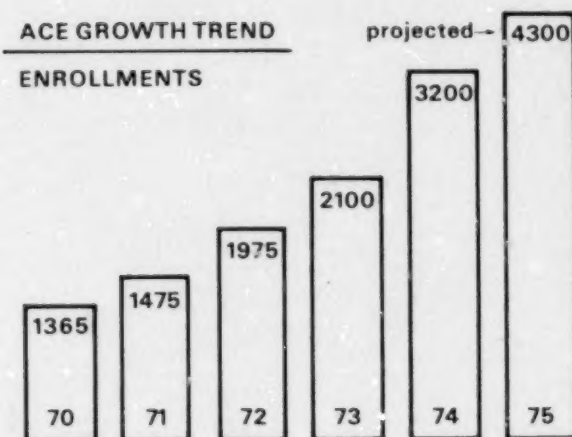


Figure 1



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OPERATIONS, Continued

2. The financial position of ACE was strengthened with a year-end increase in working capital of \$14,888. Loans from member organizations and banks were reduced from \$8,373 at June 30, 1973 to \$6,600 at June 30, 1974 and the Association's equity reached a positive figure of \$1,106.
3. ACE welcomed another new member organization, ISS-Sperry Univac, in January 1974. ISS is widely known as a leader in developing technical and production expertise in the manufacture of disk storage systems. They are now the largest independent manufacturer of IBM... compatible disk drive memory systems in the United States. Now part of the Sperry-Univac family, ISS employs 2,000 people in their Cupertino, Sunnyvale, and Santa Clara locations.

PROGRAMS

1. **MBA Degree.** Enrollment in MBA courses dipped slightly as the first group of students emerged with their degrees while enrollment in the undergraduate foundation courses increased promising future expansion of the program. 41 graduate degrees have been awarded since the program began, in fall 1970.
2. **Management Development.** The number of courses offered each quarter rose from 2 to 3 reflecting the growing interest in the overall program. A total of 40 students have completed the 4-course sequence and have received their certificates of completion.
3. **Supervisory Training.** Courses in supervisory training represented 14% of the total enrollment in ACE courses for the 12 months ending June 30, 1974. Plans are to strengthen and expand the number of subjects covered as the demand increases.
4. **Mathematics and Business Writing.** A sequence of courses in each of these subject areas was introduced in the second quarter. Students have the opportunity to enter either program at a level that best suits their present knowledge and experience. Both programs achieved positive results and will be continued this coming year.
5. **General Interest.** Enrollment in the general interest courses increased slightly over the previous year. **Effective Reading** continues as the course with the largest number of enrollments but several others achieved recognition for their innovative qualities. One such, was an experimental course in **Conversational French** which confirmed the belief that a conversational language can be taught through interactive television. The experience with **English As A Second Language** tended to reinforce the results of this experiment.



PROGRAMS, Continued

6. *Special Interest.* The number of courses offered in this area increased from 6 to 7 over the previous year while enrollment jumped an impressive 80%. The following courses were designed expressly for organizations which provide ACE with guaranteed income:

Subject	Company
Piping Stress Analysis	Bechtel Corporation
PL/I Programming Language	GTE/Sylvania
Elements of Supervision	Philco-Ford
Potential Methods in Petroleum Exploration	Standard Oil Company
Refinery Processes	Standard Oil Company
Evolution of Sedimentary Basins	Standard Oil Company
Applications of Transactional Analysis	Standard Oil Company

7. *Cybernetic Systems Courses.* These courses, in their second year on television, lead to partial fulfillment of the MS degree in Cybernetic Systems at San Jose State University. The Cybernetic Systems courses have been included in the ACE schedule on an experimental basis as an additional service for ACE member organizations.

8. *Video Tape Courses.* The number of enrollments in courses which were video taped at the request of ACE member organizations and viewed by their employees at field locations increased 236% over the previous year. The courses which received the greatest attention fell in two major subject areas; Management Development and Special Interest. A number of these courses have been shown to audiences in the United States, Canada, Europe and Australia.

ACE COURSES WORLDWIDE



Courses in the Management Development Program are being recorded and released to member organizations on an experimental basis for use at field locations. These courses may now be taken for college credit through a special arrangement with the College of Notre Dame, an educational member of ACE. Testing and grading conform to the same requirements as those of the on-campus students for those who seek credit through the College of Notre Dame.

OUTLOOK

1. Enrollments are running 44% ahead of the same period in 1973 as ACE enters its 6th year of operations. It is anticipated that there will be some 'leveling off' later in the year and that the overall increase in total enrollment in 1974-75 over the previous year will more closely approximate 30%. This is seen as an advantage by ACE management because it will allow sufficient time for preparing the plan for the next stage of development.
2. 1974-75 enrollments in the MBA program represent an increase of 20% over the same period last year while participation in the MBA foundation program and the Management Development courses has increased an impressive 76%. Enrollment in the Supervisory Training courses is running 38% ahead of the same period last year, reflecting the trend to upgrade management and supervisory skills.
3. An accelerated effort is underway to identify more state-of-the-art courses which will satisfy the need for engineers and technicians to remain current in their field. It is anticipated that many of these will appear as Special Interest courses where enrollments and results are directly tied to the organization's involvement in the development of the course.
4. ACE has plans to introduce a new computer programming series in 1974-75 which will begin with an overview of computer technology and then branch into several common computer languages and end with a course in advanced programming techniques.
5. Additional effort will be directed to the development of short video tape courses which deal with specific topics and will vary from 4-6 hours in length. Two that are presently in production are a 6-hour sequence on Time Management and a 4-6 hour program for improving communication skills.
6. Finally, there will be a continuing effort to experiment and gain further experience in the optimum use of television as the medium through which new instructional methods may be introduced for the benefit of the student.

Comparative Balance Sheets

	June 30, 1974	June 30, 1973	June 30, 1972
ASSETS			
Current Assets			
Cash	\$10,599	\$ 5,191	(\$ 1,867)
Accounts Receivable	17,869	16,720	13,674
less allowance for doubtful amounts	0	(8,000)	0
Inventory	10,091	5,310	0
Total Current Assets	<u>38,558</u>	<u>19,221</u>	<u>11,807</u>
Plant Assets			
Furniture & Equipment	2,245	2,171	2,032
Accumulated Depreciation	(813)	(413)	0
Total Assets	<u>\$39,990</u>	<u>\$20,979</u>	<u>\$13,839</u>
LIABILITIES AND ASSOCIATION EQUITY			
Current Liabilities			
Accounts Payable	\$ 0	\$ 800	\$ 0
Student Tuition Deposits	8,800	3,400	0
Taxes Payable	1,407	1,340	830
Payable to Stanford	20,123	19,952	42,016
Instructors Fees	1,954	0	2,092
Tuition Payable	0	570	0
Loans from Members	0	1,773	6,320
Total Current Liabilities	<u>\$32,284</u>	<u>\$27,835</u>	<u>\$51,258</u>
Long-Term Liabilities			
Notes Payable at 7-3/4%	6,600	6,600	9,240
Total Liabilities	<u>\$38,884</u>	<u>\$34,435</u>	<u>\$60,498</u>
Association Equity	\$ 1,106	(\$ 13,456)	(\$ 46,659)
Total Liabilities and Capital	<u>\$39,990</u>	<u>\$20,979</u>	<u>\$13,839</u>

THOMAS B. MAIER
CERTIFIED PUBLIC ACCOUNTANT
19797 VIEWRIDGE DRIVE
SARATOGA, CALIFORNIA 95070

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July 31, 1974

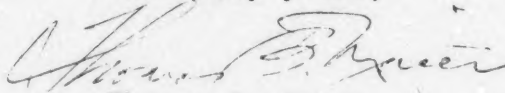
Board of Trustees
Association for Continuing Education
404-A Durand Building
Stanford, California 94305

Gentlemen:

I have examined the balance sheet of the Association for Continuing Education as of June 30, 1974 and the income statement and statement of changes in financial position for the fiscal year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet, income statement, and statement of changes in financial position present fairly the financial position of the Association for Continuing Education at June 30, 1974 and the results of operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the previous year.

Sincerely yours,



Thomas B. Maier
Certified Public Accountant

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Association for Continuing Education

Balance Sheet June 30, 1974

ASSETS

Current Assets

Cash - Crocker	\$ 8,834.40	
Cash - Bank of America	1,714.11	
Petty Cash	50.00	
Accounts Receivable	17,867.78	
Inventory	10,091.60	
Total		\$36,557.89

Plant Assets

Furniture and Equipment	\$ 2,244.82	
Less Accumulated Depreciation	813.00	
Total		\$ 1,431.82

Total Assets

\$39,989.71

LIABILITIES

Current Liabilities

Instructors Fees Payable	\$ 1,954.00	
Advances on Tuition and Guarantees	8,800.05	
Taxes Payable	1,406.75	
Payable to Stanford University	20,123.25	
Total		\$32,284.05

Long-Term Liabilities

Notes Payable - 10%		\$ 6,600.00
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Total Liabilities

\$38,884.05

CAPITAL

Association Equity at 6-30-73	(\$ 13,455.52)	
Net Income - Fiscal Year at 6-30-74	14,561.18	\$ 1,105.66
<u>Total Liabilities and Capital</u>		<u>\$39,989.71</u>

Association for Continuing Education

Income Statement Year Ended June 30, 1974

Revenue

Guarantees	\$58,540.00	
Tuition	60,345.14	
Books & Misc.	<u>32,737.70</u>	
Total		\$151,622.84

Costs and Expenses

Instructors Fees	\$22,325.40	
Books	9,278.38	
Wages	30,906.96	
Rent & Courier Cost	6,620.00	
Studio Cost	27,476.00	
Tuition to Colleges	22,845.00	
Interest	1,663.27	
Taxes	1,998.60	
Repairs	157.95	
Telephone	655.93	
Office Expense	747.68	
Insurance	2,007.24	
Promotion	961.20	
Travel & Auto	326.56	
Printing	3,518.20	
Accounting & Legal	587.13	
Depreciation	400.00	
Miscellaneous	259.48	
Taping Costs	3,318.75	
Bad Debts	1,203.96	
Credit Card Costs	148.82	
Instructors Supplies	305.43	
Sales Tax	<u>569.92</u>	
Total		<u>\$138,281.66</u>

Net Income from Operations

\$ 13,341.18

Other Income

Recovery of Theft Loss	\$ 1,000.00	
Donation	<u>220.00</u>	<u>\$ 1,220.00</u>

Net Income

\$ 14,561.18

Association for Continuing Education

Statement of Changes in Financial Position Year Ended June 30, 1974

Sources of Funds

Net Income from Operations	\$13,341.18	
Add Depreciation	<u>400.00</u>	
Funds from Operation		\$13,741.18
Recovery of Theft Loss		1,000.00
Donation		<u>220.00</u>
Total Sources		<u>14,961.18</u>

Uses of Funds

Purchase of Equipment	\$ <u>72.98</u>
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Increase in Working Capital

\$14,888.20

Schedule of Change in Working Capital

Current Assets

	<u>6-30-73</u>	<u>6-30-74</u>
Cash	\$ 519.83	\$10,598.51
Accounts Receivable	8,719.63	17,867.78
Inventory	5,310.00	10,091.60

Current Liabilities

Instructors Fees Payable	0	1,954.00
Accounts Payable Textbooks	800.00	0
Advances on Tuition & Guarantees	3,400.00	8,800.05
Taxes Pay	1,339.99	1,406.75
Payable to Stanford	19,951.50	20,123.25
Tuition Payable	570.00	0
Loans from Members	<u>1,773.33</u>	<u>0</u>

Working Capital

	<u>(\$ 8,614.36)</u>	<u>\$ 6,273.84</u>
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Increase in Working Capital

\$14,888.20